--comprehensive and accurate drug usage data to facilitate the selection of the most appropriate and economical method of supply with appropriate corresponding restrictions on all other available supply sources.

--the development of product specifications which insure that drugs are capable of producing the desired therapeutic effect while encouraging the widest possible competition and lowest possible cost.

--effective negotiation as the alternative contracting method in instances where competitive procurement is not possible, and

--inspection and testing to establish manufacturer responsibility and capability to produce quality drugs.

We have surveyed Federal drug procurement systems in the light of these criteria and would like to briefly describe our observations.

I would like to emphasize that these observations are based on preliminary studies of the systems involved and cannot be considered as a complete review of such systems. Our work is continuing, however, and we will undoubtedly have more observations and suggestions to offer at a later time.

Drug selection

With respect to the drug selection process, we obtained information at the local level for five Federal medical facilities. Each of the facilities visited has established its own system for judging which drugs are appropriate for use. Each system is under the administration of a central group, the name of which varies but may commonly be referred to as the Pharmacy and Therapeutics--the P and T--Committee.

The P and T committee's membership generally consists of the directors of the various professional services of the medical facility and the chief pharmacist who acts as secretary.